

# Tips for Flood Victims

## HOW TO AVOID DISASTER-RELATED SCAMS

consumer**brief**

In the aftermath of any disaster, there are always some who will attempt to prey upon consumers. Below you will find some important tips on how to avoid becoming a victim of a scam.

### HOME REPAIR

Disaster victims must frequently face thousands of dollars worth of necessary repairs to make their homes habitable again. Homeowners can protect themselves from dishonest home repair contractors by heeding the following tips:

- Shop around and obtain at least three written estimates. Ask the contractors if they have liability insurance (as required by law) and whether they will be using subcontractors on the project.
- Call Consumer Affairs' Consumer Service Center at 800-242-5846 or 973-504-6200 to find out if the contractor you are considering is registered or has been the subject of complaints and/or legal action by the State.
- Ask your contractor about his or her professional affiliations and confirm the information with the organizations.
- Obtain a written contract. Home improvement contracts must disclose the legal name and business address of the contractor as well as a start date and completion date, a description of the work to be done, and the total price. Make sure the brand names of principal products and materials to be used or installed are listed on the contract.
- Make sure all warranties and guarantees are in writing.
- Do not pay for the entire job up front. The customary arrangement is one-third in advance, one-third halfway through the job, and one-third upon completion.
- Look for red flags. Be wary if a contractor tells you that he or she needs a large payment before the home repair work can begin, insists that you pay cash, or tells you a written contract is not necessary – that a verbal agreement is enough. Contracts for home improvement projects costing \$500 or more must be in writing.
- Be wary if a contractor has a P.O. Box as opposed to a street address, does not have a business card, or is offering plumbing or electrical contracting services, but cannot produce a State license number.
- If the contractor is offering to do electrical work, call the Board of Examiners of Electrical Contractors at 973-504-6410 to ensure that he or she is properly licensed to do such work.
- If the contractor is offering plumbing services, call the State Board of Examiners of Master Plumbers at 973-504-6420 to ensure that he or she is properly licensed to do such work.
- Avoid transient home repair contractors. All home improvement contractors must be registered with Consumer Affairs. If you hire a contractor, make sure you get names, addresses, phone numbers, license plate numbers and vehicle descriptions. If a problem does occur, this information will help law enforcement locate the contractor.
- When you sign a contract, ask the contractor for a lien waiver. A lien waiver is a receipt that states that the workers and material suppliers will not ask you for money once you have paid the contractor. Beware of any request by a contractor to have you sign a statement that says you will cover the costs of materials and labor if the contractor does not pay.
- Before you let in anyone who claims to have been sent by a utility company to inspect your home, ask for identification. Representatives of utilities

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Office of the Attorney General



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and reputable businesses will have proper identification. When in doubt, call the company to verify the identity of the worker.

## AUTO REPAIR

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For residents whose cars have been damaged by a flood, remember:

- Check the complaint history of auto repair shops by calling Consumer Affairs' Consumer Service Center.
- Ask friends and neighbors if they know a reliable mechanic.
- Check to see if the shop is accredited by the Motorist Assurance Program (MAP). MAP is an industry-sponsored organization that has established Uniform Inspection Guidelines for inspecting vehicles and recommending repairs.
- Get a cost estimate in writing and be sure to remind the mechanic to get your authorization before making repairs not listed on the original repair order. Auto repair shops are required by law to do so.
- If you believe the mechanic has recommended unnecessary work or you are dissatisfied with the estimate, get a second opinion.
- If the work is guaranteed, get all the warranty information in writing on the repair order or bill.

## PRICE GOUGING

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Under the Consumer Fraud Act, it is unlawful during a State of Emergency or within 30 days of the termination of a State of Emergency to charge excessive prices – or a price that is 10 percent more than the original price – for any merchandise needed as a direct result of an emergency or to “sustain the life, health, safety or comfort” of individuals or their property.

## CHARITIES

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For those who receive charity solicitations:

- Give to charities you know and trust – never give to a charity you know nothing about. Ask for literature and read it. Ask questions. Honest charities encourage you to do so.
- Check whether the organization is registered with Consumer Affairs' Charities Registration Section or is exempt from the registration requirements. You may confirm whether an organization is registered or exempt by calling 973-504-6215. You may also go to [www.njconsumeraffairs.gov/charfrm.htm](http://www.njconsumeraffairs.gov/charfrm.htm) to confirm registration online.

- Find out how long the organization has been in operation and ask to see its financial reports. These reports, called 990s, are available by calling Consumer Affairs' Charities Section. They reveal how much money the organization takes in each year, how much it spends on the causes it claims to represent and how much it pays toward administrative, management and professional fund-raising fees. You should go to [www.njconsumeraffairs.gov/charfrm.htm](http://www.njconsumeraffairs.gov/charfrm.htm) online to check on the general financial information of a registered charity.
- Don't be fooled by a convincing name. A dishonest charity will often have an impressive name or one that closely resembles the name of a respected, legitimate concern.
- Don't let yourself be pressured into giving, and don't feel you have to contribute on the spot. No legitimate organization will expect you to contribute immediately, even if you have given in the past.
- Ask if the charity uses a professional fund-raiser and, if so, what percentage of your contribution will actually go toward flood relief efforts and how much will be used to pay the fund-raiser.
- Beware of unsolicited and phony e-mail notices that claim to be from a charity asking for your credit card information. This scam is called “phishing” and could be used by thieves to commit identity theft. To ensure that the e-mail notice is valid, call the charity directly.
- Never give your credit card number to strangers over the phone or Internet!

## TO FILE A COMPLAINT:

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If you believe you have been the victim of a fraud, call your county or municipal consumer affairs office and ask for a complaint form. You may also call the State Division of Consumer Affairs at 800-242-5846 or 973-504-6200 to request a complaint form. In addition, you may file your complaint online by logging onto the New Jersey Division of Consumer Affairs' Web site at: [www.njconsumeraffairs.gov](http://www.njconsumeraffairs.gov) click on “Complaint Forms” and then click onto “OCP Complaint Form.” If you believe you have been the victim of charities fraud, you may contact Consumer Affairs' Charities Registration Section at 973-504-6215 to file a complaint.



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